

CENTRAL INTELLIGENCE AGENCY

REPORT

CD NO.

25X1

DATE DISTR. 4 November 1955

NO. OF PAGES 31

NO. OF ENCLS.
(LISTED BELOW)

SUPPLEMENT TO
REPORT NO.

THIS IS UNEVALUATED INFORMATION

25X1

- | | |
|-------------|-------------------------|
| Brown coal | Calcium-carbide |
| Briquettes | Nitrogen |
| Pig iron | Synthetic rubber |
| Raw steel | Gasoline (Benzin) |
| Copper | Cement |
| Steel plate | Pre-fabricated concrete |
| Lead* | Wall and roof tile |

4. Industrial gross production for 1956 is to be set at 109 percent of the expected fulfillment figures for 1955.

~~S-E-C-R-E-T~~

25X1

Approved For Release 2009/01/13 : CIA-RDP80-00810A008300390003-8

SECRET

25X1

- a. The formula to be used for calculating the production of individual branches of industry is as follows:

1956 planned gross production at standard prices, taking 1955 expected gross production in standard prices as 100, and expressing the result in percentages.

- b. Production of the socialized enterprises in 1956 is to be set at 109.3 percent of the prospective 1955 fulfillment figures.
- c. Gross production of local VEBs is to be set at 110 percent of the presumptive fulfillment figures of 1955. The production of consumer goods and of building materials especially is to be increased.
- d. Private enterprises are to set their production at 104.1 percent of 1955 figures.
- e. East German handicraft is to set its production at 106.2 percent of 1955.
5. The construction industry is to set its production at 109.1 percent of the 1955 figures.
6. Exports are to be set at 109.4 percent of the 1955 Plan, and imports at 102 percent.
7. a. Governmental investments in 1956 will be raised 22 percent above those for 1955. In individual branches of industry, the investment increase will be as follows:

Coal	33 % increase
Chemistry	35 % "
Metallurgy	28 % "
Power	8 % "
Building materials	106 % "

- b. The proportion of governmental investments allotted to equipment is to be increased over that of the previous year, and in centrally controlled industry by 66 percent.
- c. Agricultural investments, including those of LPGs², are to be increased 14 percent. The Minister of Agriculture and Forestry is to give priority to the expenditure of 50,000,000 DME to eliminate the deficiencies in VEG hog-fattening¹, and 25,000,000 for additional training of VEG apprentices.
- d. Governmental housing, including Stalinstadt and ore mining districts, is to be raised by 4 percent. An approximate total of 1,350,000,000 DME is to be made liquid for all housing construction, including licenses (Lizenzen), building savings, and workers' home building associations.
- e. Funds for the domestic economy of the LPGs are to be raised 40 percent and for workers' home construction 27 percent.
8. a. In the socialized enterprises, work productivity is to be raised by 107 percent in comparison with 1955 fulfillment figures. The percentages of increased work productivity for individual ministries are:

Heavy Industry	108 % increase
Heavy Machine Construction	110 % "
General Machine Construction	110.1 % "
Light Industry	105.5 % "
Food Industry	106.3 % "

ILLEGIB

- b. Average wages in the socialized enterprises are to be raised by 101.4 percent of 1955.

25X1

SECRET

- b. In local State-owned industry, costs of production are to be lowered 4 percent in comparison with presumptive 1955 fulfillment.

25X1

10. In public education, the principal tasks are further construction of country schools, construction of the 10-year schools, and development of higher technical education. In the advanced schools, the professional, political, and economic education of the students is to be markedly improved. The capacity of the universities and advanced schools is to be expanded, especially the Dresden Engineering College. Expansion of motion picture houses in the country districts is to be undertaken. Construction of an opera house in Leipzig is to be begun.
11. In the area of health and social measures, the emphasis is to be placed on improvement of the existing facilities, expansion of the new medical academies, and the creation of new space in holiday and nursing homes. Health facilities in the country districts are to be extended and provided with better medical personnel.
12. Preparatory work for the "Schwarze Pumpe" coal combine is to be accelerated so that briquette production can be started at the beginning of 1959.
13. The Ministry of Food Industry is to see that meat-processing capacity is expanded by 1,800 tons per day before the 1956 harvest.
14. The ministers, state secretaries, chiefs of central state organs, and chairmen of Bezirk councils are instructed to draw up plans for material requirements for all materials in the nomenclature of the State Plan. Material requirements must be justified by material consumption norms and/or technical-economic key figures of material consumption corresponding to the priorities (Ordnung) of material planning. From the material requirement plans of the ministries and the Bezirk councils, the planned development of inventories in the hands of industrial consumers must go forward (hervorgehen) in consonance with the plan proposals for the Finance Plan. To the material requirements plans is to be attached also a proof of the percentage of lowering of material requirements for the most important positions as well as the percentage of average lowering of inventories (Vorraste) in comparison with the year before.
15. The still existing differences in the control figures of the Building Construction Plan, to the extent of 350,000,000 DME, must be removed before the presentation (Vorlage) of the Economic Plan of 1956.
16. In preparing the plan, the production of cement, and (in coordination with the Bezirke) the production of wall tile, roof tile, and pre-fabricated concrete is to be reexamined with the aim of raising the plan proposal above the control figures.
17. The ministers of the industrial ministries are instructed to notify Heinrich Rau before 15 August 1955 of at least 80 percent of their import requirements in the framework of the control figures for standard metal sheet, in order to secure the satisfaction of our needs in the sheet metal program of friendly countries.
18. The Mayor of Greater Berlin, Friedrich Ebert, is made responsible for taking more effective measures, in conjunction with the Ministry of Interior, to prevent the emigration of construction workers from the democratic sector and from the border areas of Greater Berlin into the Western sector.

1. Comment: It is known that, in 1955, prices paid to VEGs for deliveries were increased substantially in order to enable them to show profits.
2. Comment: LPG - Landwirtschaftliche Produktionsgenossenschaften (agricultural production cooperatives).
3. Comment: VEG - Volkseigene Gueter (nationalized farms).

25X1

25X1

25X1

SECRET

25X1

25X1

Page Denied